

March 29, 1979

LB 417

PRESIDENT: Senator Kelly. The Chair recognizes Senator Kelly.

SENATOR KELLY: Mr. President, I move we advance LB 417...

PRESIDENT: ...motion to advance. I got cut off. Senator Dworak. The Chair recognizes Senator Dworak.

SENATOR DWORAK: Mr. President and colleagues, I would like a few comments from Senator Kelly as to specifically what this bill does. It appears to me, Senator Kelly, this is what I referred to as an assessment mutual. Is that correct, Senator Kelly? Is that what we are dealing with?

SENATOR KELLY: Yes, Senator Dworak. This is the...to use the example of the Platte-Duetsche Society in Grand Island which is a fraternal social organization that has a burial fund, mutual burial fund.

SENATOR DWORAK: But this would also include assessment mutual insurance companies such as those companies that would provide fire and hail and liability insurance?

SENATOR KELLY: That I can't answer but it is my opinion that it is to cover the burial groups.

SENATOR DWORAK: Senator Kelly, in line 6 and 7 we say that we are exceeding membership which is now limited to fifteen hundred people to twenty-five hundred people who are residents of this state from making mutual pledges and giving valid obligations to each other for their own insurance from loss of fire, lightning, tornadoes, cyclone, wind storms, hail and death. Now it seems to me that the bill has a lot broader ramifications than just burial insurance and I would like to know what kind of protection these people have who think they have insurance against these perils. I would like some idea of what kind of reserving structure, some idea as how, in fact, this specific thing works and I am thinking in terms of the public, a public that thinks they may have protection and do they, in fact, have adequate protection against these perils.

SENATOR KELLY: Senator Dworak, LB 417, a question from Senator Murphy in the hearing is that about casualty of these mutual association groups and the answer from the proponents of the bill was that there were none operating in the State of Nebraska and this language has been in the statute evidently ever since it was originally written but there is nothing in 417 that has anything to do with